



STATE BOARD OF EQUALIZATION

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TIMOTHY W. BOYER
Interim Executive Director

July 15, 2003

VIA FACSIMILE
ORIGINAL TO FOLLOW

Re: 2003 Unitary Assessment of

- Value Adjustments and Appeal Process.

Dear Mr. _____ :

This letter is in response to your July 11, 2003 e-mail to Mr. _____ of the Valuation Division regarding corrections to the Board roll relating to the 2003 unitary valuation and assessment of _____ electric generation facilities, particularly the valuation of the _____ facility.

As you are aware, on May 28, 2003, the Board adopted unitary values for the 2003 lien date for all state assessees. As a result, the only means for a correction to be made to the Board roll, whether as the result of an appeal of the unitary assessment by an assessee or as the consequence of an audit of an assessee by Board staff, is by the approval of the Board. In other words, once a unitary value has been adopted by the Board, only a vote of the Board can change a value on the Board roll. Revenue and Taxation Code sections 721 & 731; Property Tax Rule 904.

The reason for this requirement is that the Board-determined values for state assessees must be delivered to county auditors, pursuant to Revenue and Taxation Code section 756, on or before July 31st, in order to achieve delivery of the Board roll and the local roll by the auditor to the tax collector by the 4th Monday of September each year. Revenue and Taxation Code section 2601. Once enrolled, the values cannot be changed except by filing a petition for reassessment. Revenue and Taxation Code sections 731 & 733.

As a result of these statutorily-required enrollment procedures, Board staff has no authority to make any changes to the enrolled value of an assessee. However, assuming files petitions for reassessment, the staff of the Valuation Division, along with the staff of the Legal Department, will work with _____ to resolve any possible errors and differences in the

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unitary valuation of these facilities during the upcoming appeal season. Revenue and Taxation Code section 731 provides that assessee must appeal their unitary assessment by filing a petition for reassessment on or before July 21st.¹ The Board Proceedings Division will contact you following receipt of these petitions in order to schedule these appeals for hearings. After meeting with you and examining all of the evidence, staff will submit to the Board, Staff Recommendations regarding the property value for each company, in response to the petitions filed by . Any value adjustments that staff recommends to the Board will reflect corrections to errors in the value adopted on May 28th. will also have the opportunity to make recommendations directly to the Board if the petitions request an oral hearing. Ultimately, it is the Board's decision-making authority, however, to determine the nature and extent of the proper adjustments to the fair market value of property owned and leased by these companies.

Regarding the additional information listed in your e-mail about the value of certain facilities, of the Valuation Division will be contacting you to confirm that this is sufficient and/or to clarify whether more evidence is needed by staff. If you have any further questions regarding the appeal process for these facilities, you or Mr. should contact me at (916) 324-2642 or at anthony.epolite@boe.ca.gov.

Very truly yours,

/s/ Anthony S. Epolite

Anthony S. Epolite
Senior Tax Counsel

ASE

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cc: Mr.

Mr. David Gau, MIC:63
Mr. Harold Hale, MIC:61
Mr. Octavio Lee, MIC:61
Ms. Esther Lai, MIC:61
Mr. Jon Lundin, MIC:61
Ms. Kristine Cazadd, MIC:82

¹ This procedure was outlined in the Notices of Unitary Assessment mailed on May 29, 2003. Because the statutory deadline of July 20th falls on a weekend this year, the deadline for filing appeals of unitary assessments for 2003 is July 21, 2003.